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Lieutenant Governor

State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

September 22, 2016

Brent Andrews
Tar Sands Holdings II, LLC
60 East South Temple, Suite 1800
Salt Lake City, Utah 84111

Subject: Second Review of Response to Division Directive to Consolidate Permits, Tar Sands Holdings II, LLC, and Uintah County Asphalt Mine and Asphalt Ridge 2 Mine, M/47/0022 and M/47/0032 Uintah County, Utah

Dear Mr. Andrews:

Thank you for your August 2, 2016, response to the Division of Oil, Gas and Mining's review of the amendment to consolidate the two Asphalt Ridge mine permits, Asphalt Ridge 2 M/47/0032 and Uintah County Road Department M/47/0022. The intent is to merge both permits and the respective reclamation surety costs into one permit, M/47/0032. The changes made to the Notice of Intention that were detailed in the August 2, 2016 submittal have been accepted, but since a considerable amount of bitumen product has been identified in the permit area, it is imperative that disposal costs for the bitumen and any other oil and potential hazardous material products be identified and that the off-site disposal costs be accounted for in the reclamation cost estimates.

Thank you for your efforts to consolidate these two permits. Please submit your response to this review by October 21, 2016. Please contact the permit lead, April Abate, at 801-538-5214. Questions about the reclamation cost estimate should be directed to Wayne Western (whw) at 801-538-5263. Thank you for your cooperation in completing this permitting action.

Sincerely,

Paul B. Baker
Minerals Program Manager

PBB: aa: eb

Attachment: Review

cc: Denise Dragoo, Snell and Wilmer ddragoo@swlaw.com

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SECOND REVIEW OF NOTICE OF INTENTION TO COMMENCE LARGE MINING OPERATIONS

Tar Sands Holdings II Asphalt Ridge Mine

M/047/0032
September 14, 2016

General Comments:

Comment #	Sheet/Page/Map/Table #	Comments	Initials	Review Action
1	General	Please develop maps, figures and text with the understanding that they must be scanned and photocopied. This will require that hatching, line weights, colors, map labels, and text formatting be clear and legible when digitally copied.		
2	General	Responses to the following review comments may raise additional questions and generate subsequent comments by Division personnel. (This comment for Operator understanding of the review process only; no response required.)		
3	General	Submittal should be formatted to easily incorporate additional revisions and amendments.		
4	General	While developing reclamation cost estimates, the Division must assume the site will be left in a worst-case scenario with the Division having to conduct the reclamation with State-approved contractors in the absence of the operator. Please develop the reclamation cost estimate with this understanding.		
5	General	The reclamation cost estimate must take into account compliance with all applicable rules and regulations pertaining to worker and public health and safety, and the remediation, handling and disposal of regulated hazardous wastes. The Division is not exempt from complying with these statutes in the event it must undertake the reclamation. These rules include, but are not limited to: R307 (DEQ, Air Quality), R313 (DEQ, Waste Management and Radiation Control), R315 (DEQ, Waste Management), and R317 (DEQ, Water Quality).		

R647-4-113 – Surety

Comment #	Sheet/Page/Map/Table #	Comments	Initials	Review Action
	General Comment on Cash Surety	All operators that want to provide a cash surety must also provide an accurately completed IRS Form W-9 with their cash deposit (Form W-8 for operators based outside the US). The bank where the State Treasurer will deposit the cash must approve and accept the form prior to the Division granting final approval of the permit.		
	General Comment on Building Demolition	A pre-demolition survey of all non-portable buildings will be required prior to removal in accordance with R307-801-9 to determine the presence and amounts of asbestos-containing materials typically associated with building systems and building construction. The Division requests adding a 10% contingency to the demolition calculation for each building to cover the inspection survey and the costs of abatement and disposal of any regulated hazardous building materials.		

Second Review
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M/047/0032
September 22, 2016

Comment #	Sheet/Page/Map/Table #	Comments	Initials	Review Action
	Appendix F	Demolition costs – Please include disposal costs for building debris. Means costs include a 20-mile (one way) haul distance. If the State licensed landfill is more than 20 miles away, please included transportation costs. Also include disposal costs for building debris. Steel can be disposed of at a recycling facility for no cost. All other debris, including concrete, asphalt and non-steel building materials, will have to be disposed in a landfill.	whw	
	Appendix F	Please include the cost for disposal of tanks that contain petroleum and other products. Those disposal costs include but are not limited to hauling the tanks to a licensed facility, a determination of whether or not any of the products are hazardous and would require special handling, the cost of removing/disposal of the products, and disposal cost of the empty tanks.	whw	
	Appendix F	Please include a full inventory and the cost to dispose of bitumen products that are stored on site. In the event of forfeiture the Division would have to dispose of the products.	whw	